COMMITTEE STATEMENT

LB 666

HEARING DATE: February 26, 1999

COMMITTEE ON: Revenue

TITLE: (Wickersham) Change State Tax Board membership and duties

ROLL CALL VOTE – FINAL COMMITTEE ACTION

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

Vote Results:

5	Yes	Senators Hartnett, C. Peterson, Raikes, Redfield and
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0 No

1 Present, not voting Senator Wickersham

2 Absent Senators Coordsen and Landis

PROPONENTS REPRESENTING

Senator William R. Wickersham Introducer

OPPONENTS REPRESENTING

NEUTRAL REPRESENTING

SUMMARY OF PURPOSE AND/OR CHANGES:

LB 666 would have changed the makeup of the State Tax Board to make it an appointed body of experts, and would have given the Board the authority to set sales and income tax rates instead of the Legislature.

Section 1 would have amended section 77-501 to change the makeup of the State Tax Board from the Governor, State Auditor, State Treasurer, Secretary of State, and Tax Commissioner, to the Chairpersons of the Investment Council and the Economic Forecasting Advisory Board, and the Highway Commissioner, the Tax Commissioner, and a professor of economics appointed by the Postsecondary Education Coordinating Commission.

COMMITTEE STATEMENT

Section 2 amended section 77-502 to change the chairperson of the Board from the Governor to the Tax Commissioner, and to change the secretary from the Tax Commissioner to the Chairperson of the Highway Commission.

Section 3 harmonized section 77-503.

Section 4 amended section 77-2701.01 to provide that the current 3.7 percent primary income tax rate would cease to be the rate and become the maximum rate on January 1, 2000.

Section 5 amended section 77-2701.02 to provide that the 5 percent sales tax rate will cease to be the rate and become the maximum rate on January 1, 2000.

Sections 6, 8 through 10, and 12 harmonized three sales and income tax sections and a section dealing with the budget process to strike references to the Legislature as the body which sets tax rates.

Section 7 would have amended section 77-2715.01 to strike the procedure by which the Legislature sets tax rates and replace it with a calculation and procedure to be followed by the State Tax Board in setting the rates.

Section 11 amended section 81-125 to require the Governor's proposed budget to contain summary estimates for the next succeeding biennium for revenue, appropriations and express obligations.

EXPLANATION OF AMENDMENTS, IF ANY:

Senator William R. Wickersham, Chairman Committee on Revenue
